

The Honorable Tim Bishop
Statement on H.R. 5603
The Higher Education Act
June 21, 2006

Mr. Speaker, almost three months to the day, I stood here in support of the third extension to the Higher Education Act with the hope that it would be the last short-term measure we needed to pass before we finally produce an improved, bipartisan and long-overdue reauthorization bill that reflects the best interest of America's college students.

I now rise in support of H.R. 5603 with a different hope, that the pending version of the Higher Education Act that the House passed does not advance in the Senate; and that during the next session of Congress, under a new majority, we start over by making this legislation truly about increasing access and affordability.

On July 1st, student borrowers will be burdened with higher interest rates on their loans as a result of this Administration's fiscal irresponsibility. Student loan interest rates are based on the 91-day T-bill, which is directly tied to the status of our economy. Based on today's current T-bill, interest rates for students borrowers who do not consolidate by July 1st will jump from 5.3% to 7.14 percent, a 34 percent increase in rate.

Record-breaking budget deficits, tax breaks for the wealthiest Americans, and an economic policy flawed by fiscal irresponsibility have resulted in higher interest rates and our nations' students having to pay for the mistakes of this Administration and the Republican Congress.

Last year, the House leadership chose to cut student loans to the tune of \$12 billion through the Deficit Reduction Act. With those cuts in the budget reconciliation bill, and now with higher interest rates on student loans, we are sending a message to America's students and their families that they are no longer among this nation's top priorities.

As high school graduates and their proud parents calculate how they can squeeze college costs into their budgets, they are discovering that it's an uphill climb for most families made tougher by new, higher interest rates.

Mr. Speaker, I support the extension that we are considering here today, but I do not support the direction and actions of this Congress as it relates to higher education. We must do more to ensure that every qualified student has the chance to go to college.